

**REMARKS**

Claims 2-16 and 29-43 are currently pending in the application with claims 5, 9, 10, 12, 32, 36, 37 and 39 in independent form. Claims 17-28 have been previously canceled without prejudice or disclaimer. Claims 5, 9, 10, 12, 32, 36, 37 and 39 are amended herein and Applicants submit that no new matter has been added by way of this amendment. Applicants respectfully request reconsideration of the instant application in view of the foregoing amendments and the following remarks.

**Claim Rejections - 35 U.S.C. § 101**

Claims 2-16 have been rejected under 35 U.S.C. § 101, as allegedly being directed to non-statutory subject matter. The Examiner alleges that the claims "are directed to a method not within the technological arts..." citing In re Musgrave, 431 F.2d 882 (See, Office Action page 3, ¶ 1). The Examiner also alleges that the claims are directed to "a method that does nothing more than manipulate an abstract idea" while asserting that "[t]o be patentable a method claim must produce a useful, concrete and tangible result or involve a step or act of manipulating technology..." citing AT&T v. Excel Communications Inc., 172 F.3d at 1358 (See, Office Action page 3, ¶ 1). The Examiner concludes, "[a]llocating conditional purchase offers to sellers may be in a sense, useful, but is not concrete or tangible and does not, as recited in claims 2-8, 11, and 13-16 involve technology."

Applicants respectfully disagree and submit the pending claims are directed to an allocation method for receiving, considering conditional purchase offers, as well as identifying a priority sell and providing the priority sell with an opportunity to satisfy the conditional purchase

offer achieves a useful, concrete, and tangible result. Further, Applicants submit that the § 101 rejections raised by the Examiner are rendered moot in view of Ex Parte Lundgren ("Lundgren"), Appeal No. 2003-2088 issued by the Board of Patent Appeals and Interferences ("BPAI"). In Lundgren, the BPAI reversed a 35 U.S.C. § 101 rejection based on the examiner's application of a separate "technological arts" test from In re Musgrave (See, Lundgren, page 7). In Lundgren, the BPAI establishes that "there is currently no judicially recognized separate 'technological arts' test to determine patent eligible subject matter under § 101." (See, Lundgren, page 9). Accordingly, Applicants submit that the 'technological arts' test should not be applied to the pending claims and therefore request withdraw of this ground of rejections.

### **Claim Rejections - 35 U.S.C. § 103**

Claims 2, 4-5, 7, 9-12, and 14-16 have been rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over Hensley, in view of Abel, et al. (US Patent No. 5,289,371) and official notice. Claims 3, 6, 8, 13, and 13-16 have been rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over Hensley, in view of Abel, et al. (US Patent No. 5,289,371) and official notice, in further view of Donner, et al. (EP Application 0 512 702 A2). The Examiner asserts that claim 32 is parallel to claim 5, and dependent claims 29, 30, 31, 33, 34, 35, 38, 40, 41, 42, and 43 are parallel to claims 2, 3, 4, 6, 7, 8, 11, 13, 14, 15, and 16 respectively. The Examiner also asserts that claims 36, 37 and 39 parallel claims 9, 10 and 12 respectively, and are rejected on the same grounds. (See, Office Action, page 18). Applicants respectfully traverse the Examiner's rejections and submit that the pending claims are patentably from the cited references for at least the following reasons.

Amended independent claim 5 recites *inter alia*:

An allocation method in a buyer-driven system in which conditional purchase offers are received and considered by or on behalf of a plurality of sellers, the conditional purchase offers each including (1) a buyer-specified price for a good or service (2) a payment identifier specifying a financial account to be used to pay for said good or service upon acceptance of a conditional purchase offer by a seller and (3) authorization to charge said payment identifier for said good or service upon acceptance of a conditional purchase offer, comprising:

- determining which of at least two sellers could satisfy a conditional purchase offer;
- identifying one of the at least two sellers as a priority seller based on a priority metric; and
- after receiving said buyer-specified price, payment identifier and authorization, providing the priority seller with a first look opportunity to satisfy a conditional purchase offer.

Applicants respectfully submit that cited references taken alone or in combination do not teach, disclose or suggest a conditional purchase offer that includes a buyer-specified price or identifying a priority seller based on a priority metric, as recited in amended independent claim 5.

The Examiner asserts that "Hensley discloses...conditional purchase offers including a buyer-specified price for a good or service (first page, fourteenth text paragraph et subseq.)" (See, Office Action, page 6, ¶ 2). Applicants submit that Hensley does not teach, disclose or suggest a conditional purchase offer including (1) a buyer-specified price for a good or service (2) a payment identifier specifying a financial account to be used to pay for said good or service upon acceptance of a conditional purchase offer by a seller and (3) authorization to charge said payment identifier for said good or service upon acceptance of a conditional purchase offer buyer-specified price for a good or service. There is clearly no such teaching of each of these claimed elements in the Hensley reference. Hensley's article merely discusses a negotiating processing in which a potential buyer was "bargaining with the vendors." (See, Hensley, page 1, text: ¶ 3). As described, Hensley's buyer engages a seller in negotiations "during the course of the next 15 to 25 minutes the price changed constantly...." (See, Hensley, page 1, text: ¶ 12). Therefore, Applicants submit Hensley's negotiating method is not analogous to and does not disclose, teach or suggest the

claimed buyer-driven system based on a buyer's conditional purchase offer that includes a (1) a buyer-specified price for a good or service (2) a payment identifier specifying a financial account to be used to pay for said good or service upon acceptance of a conditional purchase offer by a seller and (3) authorization to charge said payment identifier for said good or service upon acceptance of a conditional purchase offer.

Furthermore, the cited references taken alone or in combination do not teach, suggest or disclose identifying a priority seller based on a priority metric, as recited in the claims.

The Examiner alleges:

"Hensley does not expressly disclose identifying one of at least two sellers as a priority seller, but by beginning with a particular seller, while knowing that there was another shop down the street (second page, fourth, fifth, and ninth paragraphs), Hensley implicitly identified that seller as a priority seller. (See, Office Action, page 6, ¶ 2).

Applicants submit that Hensley does not suggest any reason for selecting a first shop instead of a second shop. As such, a buyer arbitrarily entering a first shop is simply not analogous to identifying a first shop as a priority seller based on a priority metric. For a similar reason, Abel's sending floral orders to a plurality of florists based on their ability to satisfy an order to deliver flowers does not constitute identifying a priority seller based on a priority metric. As such, Applicants submit that the cited references taken alone or in combination do not teach, disclose or suggest identifying a priority seller based on a priority metric, as recited in independent claim 5.

Moreover, Applicants submit that Donner, et al. does not remedy the deficiencies discussed above with regard to independent claim 5 and the Hensley and Abel references. In addition to the significant deficiencies identified above regarding Hensley and Abel, Applicants traverse the instances of Official Notice in the Office Action and submit that the pending claims are not rendered obvious based on the cited references and the alleged Official Notice for at least these

reasons. In the event that the Examiner maintains the current rejections, Applicants request that the Examiner support the Official Notice assertions with a viable reference. Also, Applicants reserve the right to address the Examiner's assertions Official Notice individually, if the rejections are maintained.

### **CONCLUSION**


Accordingly, Applicants submit the claimed invention recited in independent claims 5, 9, 10, 12, 32, 36, 37 and 39 are patentably distinct from the cited references for at least these reasons, among others. Furthermore, in view of the fact that each of the independent claims of the instant application are distinguishable from the cited references for the aforementioned reason, Applicants submit that the dependent claims of the instant application are also distinguishable for at least similar reasons. Accordingly, Applicants request withdrawal of these grounds of rejections.

**AUTHORIZATION**

The Commissioner is hereby authorized to charge any additional fees which may be required for consideration of this Amendment to Deposit Account No. 03-1240, Order No. 17200-060. In the event that an additional extension of time is required, or which may be required in addition to that requested in a petition for an extension of time, the Commissioner is requested to grant a petition for that extension of time which is required to make this response timely and is hereby authorized to charge any fee for such an extension of time or credit any overpayment for an extension of time to Deposit Account No. 03-1240, Order No. 17200-060.

Respectfully Submitted,  
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